

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

Q

W-02514A
Quail Creek Water Company
9532 East Riggs Road
Sun Lakes, AZ 85248

RECEIVED

MAY 15 2006

**AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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S-1506
RF

FOR COMMISSION USE

ANN04	05
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COMPANY INFORMATION

Company Name (Business Name) QUAIL CREEK WATER COMPANY INC

Mailing Address 9532 E RIGGS ROAD

SUN LAKES

(Street)

ARIZONA

%@\$

(City)

(State)

(Zip)

(480) 895-9200

(480) 895-4347

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 1425 N QUAIL VIEW

GREEN VALLEY

(Street)

ARIZONA

85614

(City)

(State)

(Zip)

(520) 825-3423

(520) 825-0712

(520) 932-5887

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: JAMES POULOS

GENERAL MANAGER

(Name)

(Title)

9532 E RIGGS ROAD

SUN LAKES

ARIZONA

85248

(Street)

(City)

(State)

(Zip)

(480) 895-9200

(480) 895-4347

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: ED BAKER

(Name)

40,004 S RIDGEVIEW BLVD

TUCSON

ARIZONA

85739

(Street)

(City)

(State)

(Zip)

(520) 825-5515

(520) 825-0712

(520) 932-5887

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: JAMES D. HUBBARD

(Name)

9532 E RIGGS ROAD

SUN LAKES

ARIZONA

85248

(Street)

(City)

(State)

(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: MARTY ARNSON

(Name)

ONE E CAMELBACK

PHOENIX

ARIZONA

85012

(Street)

(City)

(State)

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

QUAIL CREEK WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	37,295	25,237	12,058
303	Land and Land Rights	92,895	0	92,895
304	Structures and Improvements			
307	Wells and Springs	169,471	114,822	54,649
311	Pumping Equipment	97,206	86,880	10,326
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	190,637	78,230	112,407
331	Transmission and Distribution Mains	1,265,715	250,072	1,015,643
333	Services	248,208	10,157	238,051
334	Meters and Meter Installations	52,350	2,710	49,640
335	Hydrants	155,943	16,731	139,212
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	6,000	6,000	0
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	47,830	17,001	30,829
	TOTALS	2,363,550	607,840	1,755,710

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

QUAIL CREEK WATER COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	37,295	.0400	1,492
303	Land and Land Rights	92,895	0	0
304	Structures and Improvements			
307	Wells and Springs	169,471	.0426	7,225
311	Pumping Equipment	97,206	.0235	2,287
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	190,637	.0261	4,974
331	Transmission and Distribution Mains	1,265,715	.0196	24,835
333	Services	248,208	.0143	3,547
334	Meters and Meter Installations	52,350	.0127	665
335	Hydrants	155,943	.0167	2,607
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	6,000	0	0
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	47,830	.0869	4,155
	TOTALS	2,363,550	.0219	51,787

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

COMPANY NAME

QUAIL CREEK WATER COMPANY

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 67,604	\$ 93,508
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	36,958	63,226
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	1,080	2,997
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 105,642	\$ 159,731
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,964,506	\$ 2,363,550
103	Property Held for Future Use		
105	Construction Work in Progress		43,189
108	Accumulated Depreciation – Utility Plant	556,053	607,840
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1,408,453	\$ 1,798,899
	TOTAL ASSETS	\$ 1,514,095	\$ 1,958,630

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 6,198	\$ 29,094
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	13,294	53,263
235	Customer Deposits		
236	Accrued Taxes	149,084	242,065
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	225,280	325,670
	TOTAL CURRENT LIABILITIES	\$ 393,856	\$ 652,092
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 393,856	\$ 652,092
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 3,500	\$ 3,500
211	Paid in Capital in Excess of Par Value	695,896	695,896
215	Retained Earnings	420,843	607,142
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 1,120,239	\$ 1,306,538
	TOTAL LIABILITIES AND CAPITAL	\$ 1,514,095	\$ 1,958,630

COMPANY NAME

QUAIL CREEK WATER COMPANY

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 368,075	\$ 526,318
460	Unmetered Water Revenue		
474	Other Water Revenues	14,986	17,700
	TOTAL REVENUES	\$ 383,061	\$ 544,018
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 31,250	\$ 65,386
610	Purchased Water		
615	Purchased Power	23,939	42,804
618	Chemicals	2,188	921
620	Repairs and Maintenance	7,179	22,493
621	Office Supplies and Expense		
630	Outside Services	13,389	12,025
635	Water Testing	6,233	10,820
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	2,606	3,847
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	6,437	9,262
403	Depreciation Expense	47,838	51,787
408	Taxes Other Than Income		
408.11	Property Taxes	10,291	13,761
409	Income Tax	92,947	124,199
	TOTAL OPERATING EXPENSES	\$ 244,297	\$ 357,305
	OPERATING INCOME/(LOSS)	\$ 138,764	\$ 186,713
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	1,504	2,460
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	848	2,874
	TOTAL OTHER INCOME/(EXPENSE)	\$ 656	\$ (414)
	NET INCOME/(LOSS)	\$ 139,420	\$ 186,299

COMPANY NAME

QUAIL CREEK WATER COMPANY

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 320,430

Meter Deposits Refunded During the Test Year

\$ 38,451

COMPANY NAME

QUAIL CREEK WATER COMPANY INC

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-608597	75	425	459	16	8	1952
55-608522	125	675	2,000	20	8	1974

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	3	98	
40	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
750,000	2	13,000	1

COMPANY NAME

QUAIL CREEK WATER COMPANY

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	360
5		
6	PVC	37,994
8	PVC	14,904
10		
12	PVC	20,787
6	PVC	321
21	PVC	4,225

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	1,216
1	112
1 1/2	4
2	5
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: QUAIL CREEK WATER COMPANY

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	983	6,946,667	6,958
FEBRUARY	1,007	5,497,201	5,501
MARCH	1,019	8,425,150	8,323
APRIL	1,064	12,971,383	13,058
MAY	1,088	14,886,042	15,604
JUNE	1,131	15,767,491	17,475
JULY	1,148	9,954,947	10,977
AUGUST	1,196	8,200,986	8,758
SEPTEMBER	1,228	10,501,226	11,490
OCTOBER	1,260	10,399,058	11,740
NOVEMBER	1,276	8,419,528	8,382
DECEMBER	1,307	8,578,681	9,320
TOTAL		120,548,360	127,586

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. SEE BELOW mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

WELL #11 .003 PPM
WELL # 3 .003 PPM

COMPANY NAME QUAIL CREEK WATER COMPANY **YEAR ENDING 12/31/2005**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 12,025.91

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW	
QUAIL CREEK WATER COMPANY	
9532 E Riggs Rd San Luke, AZ 85248-7411	304-29-35313 946 23 9070
Pay	
FIVE THOUSAND ONE HUNDRED SEVENTEEN AND 20/100 *****	
Dollars	
To The Order Of	BETH FORD, PIMA COUNTY TREASURER P O BOX 98765 PHOENIX AZ 85038-0765
SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WATERMARK	
300652 1222000240841 53311* 0000511720*	
ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING.	

[illegible]

<u>Location</u>	<u>Acct #</u>	<u>Check #</u>	<u>Amount</u>	<u>Issue Date</u>	<u>Paid Date</u>	<u>Sequence</u>
CD	8415331	300652	\$5,117.20		4/27/2005	8740760176
<u>Customer Data</u>	<u>Bank #</u>	<u>GL Category</u>		<u>CD Void/CIMS Key</u>	<u>CD Label</u>	
	601	000000000000		20050429322301	20050429322301	

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK. HOLD AT ANGLE TO VIEW

QUAIL CREEK WATER COMPANY
9532 E Riggs Rd
Sho Lakes, AZ 85248-7411

Bank One, N.A.
201 N Central Ave Dept 383
Phoenix, AZ 85038

91-21221 **300723**

6

Date	Amount
09/30/05	\$*****6,908.71

Pay

SIX THOUSAND NINE HUNDRED EIGHT AND 71/100

Dollar

[Signature]

Signature area contains a knight & fingerprint watermark

To The Order of **BETH FORD, PIMA COUNTY TREASURER**
P O BOX 98765
PHOENIX AZ 85038-0765

⑈300723⑈ ⑆122100024⑆0846 533⑈ ⑆000069087⑆

ABSENCE OF PPM U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK ALSO CONTAINS THE U.S. OWNING SECURITY FEATURES which are covered under U.S. Patent 5,558,301 & 5,575,008

1. Alteration of the Knight & Fingerprint watermark
2. Alteration of the U.S. Patent 5,558,301 & 5,575,008 watermark
3. Alteration of the U.S. Patent 5,558,301 & 5,575,008 watermark
4. Alteration of the U.S. Patent 5,558,301 & 5,575,008 watermark
5. Alteration of the U.S. Patent 5,558,301 & 5,575,008 watermark

TO VIEW WATERMARK/HOLD AT ANGLE OR UNDER BLACK LIGHT

KNIGHT & FINGERPRINT

CREDIT TO THE ACCT OF THE WITHIN NAME PAYEE

REG-REGULUS

3550630000

DO NOT WRITE STAMP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	8415331	300723	\$6,908.71	10/13/2005	8740256513	

Customer Data	Bank #	GL Category	CD Valid/CIMS Key	CD Label
	601	000000000000	20051031030701	20051031030701

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAY 15 2006

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	JAMES L POULOS - GENERAL MANAGER
COMPANY NAME	QUAIL CREEK WATER COMPANY

**AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



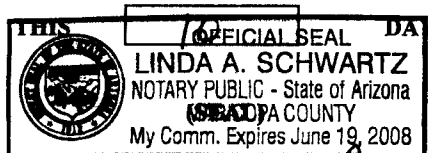
SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES

June 19, 2008

COUNTY NAME	MARICOPA
MONTH MAY	2006


SIGNATURE OF NOTARY PUBLIC

COMPANY NAME QUAIL CREEK WATER COMPANY **YEAR ENDING 12/31/2005**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>154,717</u>	(Estimated)
Estimated or Actual Federal Tax Liability	<u>40,854</u>	

State Taxable Income Reported	<u>313,853</u>	(Estimated)
Estimated or Actual State Tax Liability	<u>21,869</u>	

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

5-10-06
DATE

JAMES L. POULOS

PRINTED NAME

GENERAL MANAGER

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
MARICOPA
NAME (OWNER OR OFFICIAL) TITLE
JAMES L POULOS - GENERAL MANAGER
COMPANY NAME
QUAIL CREEK WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 588,060

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 42,048
IN SALES TAXES BILLED, OR COLLECTED)


****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

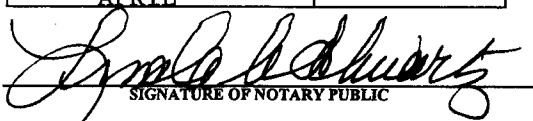
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 26th DAY OF




SIGNATURE OF OWNER OR OFFICIAL
(480) 895-9200
TELEPHONE NUMBER

COUNTY NAME	
MARICOPA	
MONTH	2006
APRIL	


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) JAMES L POULOS	TITLE GENERAL MANAGER
COMPANY NAME QUAIL CREEK WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 439,520

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 29,763
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

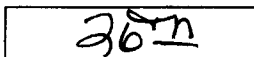
(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

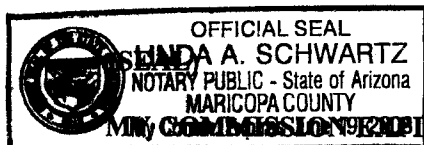
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS




DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME MARICOPA	
MONTH APRIL	, 2006



June 9, 2008


SIGNATURE OF NOTARY PUBLIC

RECEIVED

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

APR 27 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	JAMES L POULOS - GENERAL MANAGER
COMPANY NAME	QUAIL CREEK WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 588,060

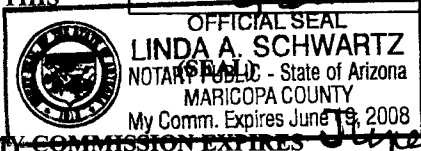
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 42,048
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 26th DAY OF



MY COMMISSION EXPIRES June 19, 2008

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

COUNTY NAME	MARICOPA
MONTH	APRIL
	.2006

Linda A. Schwartz
SIGNATURE OF NOTARY PUBLIC

RECEIVED

APR 27 2006

AZ CORP COMM
Director Utilities

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) JAMES L POULOS	TITLE GENERAL MANAGER
COMPANY NAME QUAIL CREEK WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 439,520

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 29,763
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

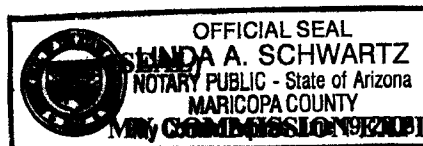
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26th

DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME MARICOPA	
MONTH APRIL	.2006



June 19, 2008


SIGNATURE OF NOTARY PUBLIC